

LOWER PAXTON TOWNSHIP
BOARD OF SUPERVISORS

Minutes of Board Meeting held March 5, 2013

The business meeting of the Board of Supervisors of Lower Paxton Township was called to order at 7:35 p.m. by Chairman William B. Hawk, on the above date, in the Lower Paxton Township Municipal Center, 425 Prince Street, Harrisburg, Pennsylvania.

Supervisors present in addition to Mr. Hawk were: David B. Blain, William C. Seeds, Sr., William L. Hornung, and Gary A. Crissman.

Also in attendance were George Wolfe, Township Manager; Steve Stine, Township Solicitor; Tom Smida, Mette Evans and Woodside; John Hewlett, Susquehanna Group; Joel McNaughton, McNaughton Company; and Watson Fisher, SWAN.

Pledge of Allegiance

Mr. Blain led the recitation of the Pledge of Allegiance.

Approval of Minutes

No minutes to approve.

Public Comment

No comments were provided.

Chairman and Board Member's Comments

No comments were provided.

Manager's Report

Mr. Wolfe noted that a snow event is on the way and it could result in a significant impact to the community. He noted that we have not experience a significant snow event for over a year, and up to this point staff has only needed to use salt and anti-skid materials to keep the

roads open. He explained that the upcoming event is predicted to produce four to six inches of snow or more. He noted that advisory notices have been posted on the Township's television station, and if that amount of snow occurs it will require the Public Works Department along with Sanitary Sewer Employees for up to 16 hours to plow the entire Township for one pass by only. He noted that the Township is made up of 48,000 residents living in a 28 square mile area with over 400 lane miles to plow.

Mr. Wolfe noted that upcoming Easter events for the Friendship Center will include the Easter Egg Extravaganza to be held in Brightbill Park on Saturday March 23, 2013 beginning at 1 p.m. He noted that the event is geared for children ages two to ten and children will hunt for candy filled prizes according to their age group.

Mr. Wolfe noted on April 27, 2013 from 9 a.m. to noon, the Friendship Center will host its first Children's Yard Sale. He noted that it would provide an opportunity for children to sell their used toys.

OLD BUSINESS

Ordinance 13-01; authorizing the refund of 2006 General Obligation Bonds in the total principal amount of \$10 million

Mr. John Hewlett explained that he was filling in for his partner, Jay Wenger. He explained that he would provide an explanation for the refunding of the 2006 bonds that occurred earlier this date. He noted that the 2013 bonds were successfully marketed and priced, noting that the Township benefited from near historical low interest rates, noting that the ten-year treasury rate closed at 1.89% which is within 50 basis points of an all time low. He noted with the adoption of Ordinance 13-01 the sale will become final.

Mr. Hewlett noted that the 2006 bonds were refunded in the amount of \$9,760,000 with maturity dates of April 1, 2014 through 2022. He noted that the bonds are allocated in the amount

of \$1,750,000 to the Township and \$8,010,000 to the Authority. He noted that the first optional redemption date is April 1, 2013, with the average remaining coupon being 4.067% and the remaining coupon range being 4.00 to 4.25%, with the average remaining life of 7.447 years.

Mr. Hewlett noted that the 2013 refunding bonds which will be used to pay off the 2006 bonds, are in the principal amount of \$9,720,000, which is less than the payoff amount for the 2006 bonds and the maturity dates are April 1, 2014 through 2022. He noted that the allocation for principal for the Township is \$1,755,000 and for the Authority it is \$7,965,000. He noted that March 5, 2013 is the pricing date for the bonds and the settlement date is April 4, 2013. He explained that the average coupon rate is 1.999% and the coupon range is 0.60 to 2.00%. He noted that the all inclusive total interest cost is 1.924% for an average life of 6.688 years.

Mr. Hewlett noted that the total debt savings is \$1,699,818, broken down for the Township at \$273,290, and for the Authority \$1,426,528. He explained that the new present value of savings is \$1,461,659 with the Township's portion being \$251,125, and for the Authority it is \$1,210,534. He explained that the percentage savings as a % of refunded bonds, it was 14.976% and the total cost of issuance was \$86,933. He noted that the typical bench mark for savings is 3% and for this issue it was five times that amount.

Mr. Hewlett noted that the second page of information details the Township's debt service requirements showing the total amount, broken down into the Township, Friendship Center and Authority's portions. He noted that it also shows the savings for each of the three portions and the existing aggregate debt service.

Mr. Hewlett noted that the sale was very well received since it was under \$10 million and bank qualified, and the estimated additional savings for the bank qualified sale was around \$80,000.

Mr. Crissman questioned when he would see all the bonds together showing how far out the repayment extends. Mr. Hewlett noted that it is included on page two. Mr. Crissman noted that it drops to \$5,113,312. Mr. Hewlett noted after 2025, all of the debt would be outstanding only to the Authority as the Township's portion would be paid off. Mr. Smida noted to be clear it is all of the Township's debt service but what will end in 2026 is what is allocated to the Township only. Mr. Crissman questioned where the end of the Authority's portion of debt service is. Mr. Blain stated that it is 2039. Mr. Hewlett noted that \$5,113,312 is due in 2039 and that will end the debt.

Mr. Crissman noted that a note has been attached to the bond rating with regard to real estate collections which is negative and he wanted to know how quickly that can be appealed. Mr. Hewlett noted the final report amended the language to talk about a general draw down in the fund balance as the driver to that negative outlook. Mr. Crissman noted that he was told that they did not ask for the data nor did we provide it to them, but it is there and he does not want that comment outstanding when we go through this process again. He questioned how soon we can appeal the comment. Mr. Smida answered that you cannot appeal, as what you are getting is an analysis from a credit rating agency that makes a determination based upon facts. He noted that the facts will have to be presented in a fashion that will persuade them to remove the outlook. Mr. Crissman noted that he wants to go on record that we either appeal or send information to state that Moody's needs to look at this again. He noted that the next time we go out to borrow that comment will still be there for people who are looking at the Township. Mr. Smida noted that we will be going through this process again very shortly for another issuance. He noted that he will see what he can do.

Mr. Tom Smida explained that he has been doing bond work for the Township for quite a while and he has never experienced a value savings of this magnitude. He noted that 15% is astronomical with 3% being the normal benchmark. He noted that timing is everything.

Mr. Smida noted that Ordinance 13-01 which is the standard ordinance for this type of transaction which is to issue a series of general obligation bonds of the series 2013 in the aggregate principal amount of \$9,720,000 pursuant to the Local Government Unit Debt Act. He noted that the purpose of this is to refinance the 2006 bonds as they will be called on April 4, 2013 as the notices have already gone out to the bond holders. He noted that the ordinance authorizes the issuance of the bonds, the general obligation, fixing the series, substantial form, denominations, date maturity dates, interest rates, interest payment dates, registration privileges, and authorizes the filing of a transcript consisting of the borrowing base certificate of debt statement. He noted that he will apply for exclusion to have the Authority portion of the debt excluded as subsidized debt. He noted that he did not have enough time to advertize the Authority meeting for this evening, therefore the Authority Board will consider, next week, to pass a resolution to approve the subsidy agreement, but for purposes of the Township only, you are also approving the execution of the subsidy agreement.

Mr. Smida noted that it sets forth the standard provisions with respect to the use of the proceeds for federal income tax purposes and continues the commitment required under the Securities Exchange Laws to make what is known as continued disclosure of certain material events as well as to continue to post the results of the fiscal year and by posting a financial statement for the service that is known as Municipal Securities Rulemaking Board, (MSRB). He noted that it authorizes the appropriate officers of the Township to execute the bond purchase agreement with Boenning and Scattergood to be used for the sale of the bonds. He noted that the

bonds are being issued in the amount of \$9,720,000 with an original issue premium of \$132,394, less underwriter's discount of \$36,158.40 for a purchase price of \$9,816,000.

Mr. Smida noted that the bonds do not extend the maturity of the 2006 bonds, noting that the bonds mature on or after April 1, 2019 and are callable on April 1, 2018. He noted that it is a five- year call which was a component of keeping this bank qualified. He noted \$10 million or under makes them callable, but over that you lose the ability of dictating the call.

Mr. Hawk thanked all those involved in the bond process.

Mr. Crissman made a motion to approve Ordinance 13-01; authorizing the refund of the 2006 General Obligation Bonds in the total principal amount of \$9,743.000. Mr. Blain seconded the motion. Mr. Hawk called for a roll call vote; Mr. Blain, aye; Mr. Crissman, aye; Mr. Hornung, aye; Mr. Seeds, aye; and Mr. Hawk, aye.

NEW BUSINESS

Resolution 13-08; amending the Township's Procurement Procedure to comply with PA Act 27 of 2012

Mr. Wolfe explained that Pennsylvania Act 27 of 2012 requires public works contractors and subcontractors to utilize the Federal Government's E-Verify System to ensure that all employees performing work on public works projects are authorized to work in the United States. He noted, by this resolution, we will amend the Township's Procurement Procedure to include this requirement so that future public works contracts comply with the new State law.

Mr. Crissman made a motion to approve Resolution 13-08, amending the Township's Procurement Procedures to comply with PA Act 27 of 2012. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Resolution 13-09; authorizing the destruction of certain municipal records

Mr. Wolfe noted that there is a complete listing of the documents to be destroyed. He noted that they include various Police Department records and other Administrative financial documents. He noted that staff asks permission to destroy these records at this time.

Mr. Crissman made a motion to approve Resolution 13-09; authorizing the destruction of certain municipal records found in Appendix A. Mr. Blain seconded the motion. Mr. Hawk called for a voice vote and a unanimous vote followed.

Final subdivision plan for Autumn Oaks, Phase II

Mr. Wolfe explained that The McNaughton Company has submitted a plan for Phase II of the Autumn Oaks Plan that consists of sixty-six units and one residual tract. He noted that Phase II contains twenty-four (24) single family detached dwellings and forty-two (42) townhomes.

Mr. Wolfe noted that the McNaughton Company owns 313.47 acres of land off of Patton Road; 133.387 acres are located in the R-C Residential Cluster Zoning District, 177.49 acres are zoned R-1, Low Density Residential District, and a 2.55 acre portion of the tract is zoned CO, Conservation District

Mr. Wolfe explained that the Board of Supervisors granted approval of the Preliminary Subdivision Plan for Autumn Oaks on August 5, 2008, and the Board granted the following waivers with the preliminary plan approval: 1) Waiver of the minimum street intersection separation requirement; 2) Waiver of the requirement to provide curbing and widening of Parkway West; 3) Waiver of the requirement to provide vertical curb. Slant curb is proposed; 4) Waiver of the requirement to provide Type "C" inlet grates in streets; 5) Waiver of the requirement to provide low flow channel and basin under drain in basins; 6) Waiver of the

requirement that driveways shall be located not less than ten feet from a catch basin, drain inlet, or fire hydrant; 7) Waiver of the requirement that there be a maximum of twenty dwelling units on a cul-de-sac; 8) Waiver to allow the placement of islands within a cul-de-sac turnaround; 9) Waiver of the street cartway widths; 10) Waiver of the street horizontal curve requirement; 11) Waiver of the requirement regarding the sidewalk location; 12) Waiver of the paved turnaround requirement; and 13) Waiver of the requirement to reduce the street vertical curve sight distance requirement.

Mr. Wolfe noted that the original final plan for Autumn Oaks, Phase II was conditionally approved by the Board of Supervisors at its December 21, 2010 meeting. He explained that the original Phase II final plan included a total of forty-eight (48) units of which twenty-four (24) were single family detached and twenty-four (24) were duplex units. He noted that the revised Phase II Plan provides for sixty-six (66) total units 24 single family detached and forty-two (42) townhomes. He noted that the overall unit count for Autumn Oaks, with this proposed change to Phase II, is 201 units or two units fewer than the maximum permitted density approved with the Preliminary Plan.

Mr. Wolfe noted that this plan was approved by the Planning Commission at its February 6, 2013 meeting.

Mr. Wolfe noted that there are seven site specific conditions, six general conditions, and two staff comments. He noted that Joel McNaughton is present to represent the plan.

Mr. McNaughton noted that this is the final plan for Phase II of Autumn Oaks with 66 units in this phase. He noted that he has received the comments from the Township and they are very minor in nature and he seeks approval of this plan at this time.

Mr. Hawk noted that the Planning Commission gave approval to the final plan and the Board had previously approved the 13 waivers.

Mr. Hornung noted that a Township resident was upset at some changes that were made to the plan and he received input from that resident that when he spoke with Mr. McNaughton that he was treated well, although he did not get what he wanted. He noted that Mr. McNaughton was very respectful to the resident and his family. He noted that it is very important to the Board that Mr. McNaughton handles the problem in a good way. Mr. McNaughton thanked Mr. Hornung for his comments.

Mr. Crissman questioned Mr. McNaughton if he could speak on behalf of the applicant. Mr. McNaughton answered yes.

Mr. Crissman noted that the 13 waivers were previously approved by the Board of Supervisors. He questioned Mr. McNaughton if the seven site specific conditions have been met or will be met. Mr. McNaughton answered yes.

Mr. Crissman questioned if the six general conditions, to include the HRG comments memorandum dated February 27, 2013 which has three land development comments and one stormwater management item, have been completed or will be completed. Mr. McNaughton answered yes.

Mr. Crissman questioned if the two staff comments will be met. Mr. McNaughton answered yes.

Mr. Crissman made a motion to approve the final subdivision plan for Autumn Oaks, Phase II with the previously approved waivers and the follow conditions: 1) All conditions of the preliminary plan shall be complied with; 2) The design of the realignment of Patton Road shall be completed in connection with the Final Subdivision Plan for Autumn Oaks, Phase III or upon

occupancy of 126 residential units in Autumn Oaks, whichever comes first. (Roadway Improvement Agreement Realignment of Patton Road dated June 17, 2008); 3) Label the sheets to be recorded with a statement such as Plan Sheet ____ of ____ for recording; 4) Homeowner association documents shall be reviewed by the Township Solicitor prior to approval of this plan; 5) Street trees shall be planted in accordance with the Autumn Oaks Master Plan [Landscape Design Standards 180-515.E.1,2 a-i]; 6) A signed Operations and Maintenance Agreement must be provided prior to recording the plan; 7) Plan approval shall be subject to payment of fee-in-lieu of sixty-six (66) units @ \$2300 per lot; 8) Plan approval shall be subject to Dauphin County Conservation District's review and approval of the Erosion and Sedimentation Control Plan; 9) Plan approval shall be subject to original seals and signatures on the plan; 10) Plan approval shall be subject to payment of engineering review fees; 11) Plan approval shall be subject to the establishment of an improvement guarantee for proposed site improvements; 12) Plan approval shall be subject to review and approval of sanitary sewer construction drawings by Lower Paxton Township Authority; 13) Plan approval shall be subject to addressing the comments of HRG's memorandum dated February 27, 2013; 14) A street/storm sewer construction permit is required and is to be obtained prior to earthmoving activities. A pre-construction meeting is to be held prior to starting the project. Contact Matt Miller at 657-5615 to schedule the meeting. This may be held in conjunction with the Conservation District meeting; 15) All signage must meet the requirements of the Lower Paxton Township Zoning Ordinance. Sign permit review and approval is required prior to the erection of any signage.

Mr. Blain seconded the motion. Mr. Hawk called for a roll call vote: Mr. Blain, aye; Mr. Crissman, aye; Mr. Hornung, aye; Mr. Seeds, aye; and Mr. Hawk, aye.

Mr. Hawk noted that Mr. McNaughton made some concessions with detention ponds that worked out well. Mr. McNaughton answered that it was with this project.

Improvement Guarantee

Mr. Hawk noted that there were no Improvement Guarantees.

Payment of Bills

Mr. Seeds made a motion to pay the bills of Lower Paxton Township and Lower Paxton Township Authority. Mr. Crissman seconded the motion. Mr. Hawk called for a voice vote, and a unanimous vote followed.

Adjournment

There being no further business, Mr. Crissman made a motion to adjourn the meeting. Mr. Blain seconded the motion, and the meeting adjourned at 8:12 p.m.

Respectfully submitted,

Maureen Heberle
Recording Secretary

Approved by,

Gary A. Crissman
Township Secretary